

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*,¹

Debtors.

CELSIUS NETWORK LIMITED,

Plaintiff,

v.

STAKEHOUND SA,

Defendant.

Chapter 11

Case No. 22-10964 (MG)

Jointly Administered

Adversary Proceeding
No. 23-01138 (MG)

**FOURTH DECLARATION OF
RICHARD MAN**

I, Richard Man, pursuant to 28 U.S.C. § 1746, hereby declare as follows:

1. I am the Head of Staking at Celsius Network Limited (“Celsius” or the “Company”). I am in charge of and responsible for the Company’s staking activities, deployment and strategy. I joined Celsius as the Head of Staking in February 2022.

2. I submit this declaration in support of Celsius’ Objection to Defendant StakeHound S.A.’s (“StakeHound” or “Defendant”) Motion to Compel Arbitration or, in the Alternative, for Abstention.

¹ The Debtors in these chapter 11 cases (the “Chapter 11 Cases”), along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network, Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The Debtors’ service address in these Chapter 11 Cases is 121 River Street, PH05, Hoboken, New Jersey (07030).

3. Except as otherwise indicated, all facts set forth herein are based on my personal knowledge, my review of transactions visible on the blockchain, and documents and information provided to me based on my work for Celsius, including documents and information dating to prior to the time of my arrival at Celsius.

4. I reviewed the Declaration of Albert Castellana Lluís, where he estimated that StakeHound's monthly costs amount to "approx. \$80,000 per month," including "the contract rate before discounts and rebates" for operating nodes associated with staked tokens. *See* ECF No. 43 ¶ 37. Mr. Castellana does not specify how much of the \$80,000 is actually required to operate the nodes and in my view, the actual cost should be a fraction of that amount.

5. From my investigations, including information from the website, Stakin.com, StakeHound does not operate their own nodes for MATIC and DOT staking purposes but delegates the tokens that Celsius transferred to them to the commercial staking providers, Allnodes (for MATIC) and Zug Capital (for DOT). Their published fees are 0% of earned rewards and 10% of earned rewards respectively.

6. Based on the average staking rewards of 32 DOT per day over the last 90 days viewable on the public Subscan Polkadot block explorer, <https://polkadot.subscan.io/reward?address=164u9fvdGtDrN6dZm5ZA8wCaKY7i8JFziQ4Zt7oXNPx5A5q3&role=account&category=reward>, StakeHound would be incurring fees of approximately 96 DOT (\$406) per month from the Celsius DOT principal of approximately 66,000 DOT. Allnodes do not charge a fee to their clients for MATIC staking as they generate income by other means.

7. Any costs associated with operating and managing validator nodes for ETH staking also would be likely quite modest, based on information from vendors who shared their costs for

operating nodes. That information indicates that one could operate the nodes for 60,000 ETH (and 5,000 accumulated rewards) in the price range of approximately **\$3,500–\$7,000 per month**.

8. Based on these figures, the range of costs for operating the nodes of the tokens StakeHound is staking would be from about 4% to a little less than 9% of the sum identified in Mr. Castellana’s declaration as StakeHound’s monthly costs, and at the midpoint of the range would be materially less than \$80,000 *for the entire year*.

9. I was not employed by Celsius when Celsius transferred to StakeHound approximately 35,000 native ETH for staking in February 2021 (the “February 2021 Staked ETH”).² I now understand, including based on the Declaration of Conor Nolan, documents attached to his declaration and other information, that the February 2021 Staked ETH was transferred directly from Celsius wallets to StakeHound wallets.

10. I do not know whether StakeHound’s platform ever was operational. In any case, I understand that the February 2021 Staked ETH was not transferred via the platform. Nor am I aware of Celsius ever having accessed the StakeHound platform, or opened a StakeHound platform account, for any purpose. I am aware of no agreement by Celsius to be bound by the standard StakeHound terms and conditions (“SSTC”) concerning the February 2021 Staked ETH, and I do not believe that the February 2021 Staked ETH transaction was governed by the SSTC.

[Signature page follows.]

² To be precise, through the transfer of the February 2021 Staked ETH, StakeHound actually received 34,999.99 ETH after gas and transaction fees, as reflected on Etherscan with a transaction hash of 0x00da5666820701c9a849129e7944c0267e9cea489ebff4fcc471e37330dcf44a. StakeHound then funded 1,093 validators with 34,976 ETH. StakeHound kept the remaining balance of 24 ETH but issued Celsius 35,000 stETH on February 2, 2021.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on September 8, 2023

A handwritten signature in black ink, appearing to read "Richard Man", written in a cursive style.

RICHARD MAN